GOVERNMENT OF INDIA
PLANNING
LOK SABHA

STARRED QUESTION NO:458
ANSWERED ON:20.12.2000
CRITERIA FOR ALLOCATION OF FUND
PUTTASWAMY GOWDA;UTTAMRAO NATHUJI DHIKALE

Will the Minister of PLANNING be pleased to state:

(a) whether a Committee of the NDC on the criterion for allocation of funds under majorRural Poverty Alleviation Programme was set up on March 31, 1999;

(b) if so, the details of its recommendations;

(c) whether it is a fact that several State Governments urged a return to 1987-88 (Pre- Lakdawala) methodology so that the State Governments that have several social security schemes for the poor are not penalised; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN TH MINSTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINSTER OF STATE IN THE DEPARTMENT OF ADMINSTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a to d): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 458 FOR 20.12.2000 REGARDIN CRITERIA FOR ALLOCATION OF FUND

(a) : Yes Sir.

(b): The recommendation of the NDC Committee is as follows:

The NDC Committee discussed various criteria for allocation of funds under majorRural Poverty Alleviation Programmes. There was a consensus and agreement on continuation of the presently used criterion, i.e., 15 per cent adjusted shares as approved by the full Planning Commission under the Chairmanship of Prime Minister. This allocationcriterion is based on an adjustment formula to contain the losses under the Expert Group estimates to not more than 15 per cent of their expected entitlement based on the Task Force methodology 1993-94. For States where the loss was less than 15 per cent, the Expert Groupestimates were retained. For the remaining States, it was ensured that they would not get less than the lower of the two shares computed on the Task Force estimates for 1993-94 and the Expert Group estimates for 1993-94. However, some States made the observation that someincentive might be provided to the States that had performed well in terms of poverty reduction. It was also noted that there were special needs and pockets of acute distress in some States and these issues also needed to be addressed. The Deputy Chairman, Planning Commission appreciated their concern and agreed that such issues could be considered at the time of the formulation of the Tenth Five Year Plan.

The above recommendation of the NDC Committee would be placed before the National Development Council (NDC).

(c): The Planning Commission has received representations from the States of TamilNadu, Gujarat, Karnataka and Andhra Pradesh for return to the 1987-88 Task Force methodology.

(d): Consequently, this issue of determining a criterion for allocation of fund under major rural poverty alleviation programmes was placed before the last meeting of National Development Council(NDC) held on 19.2.99. In pursuance of the decision taken in the meeting a committee of National Development Council(NDC) was set up on 31.3.99 underthe Chairmanship of Deputy Chairman, Planning Commission with members from both Central Ministries and State Governments to determine the criterion for allocation of funds under major rural poverty alleviation programmes. The recommendation of the NDC Committee is given in part (b) above.